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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

09/848,051

Applicant(s)

BARTON ET AL.

Examiner

Dennis Ruhl

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 28 February 2007.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-25,27-56,58-89 and 119-122 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☐ Claim(s) 1-25,27-56,58-89,119-122 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 4/1/02 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

Applicant's response of 2/28/07 has been entered. The examiner will address applicant's remarks at the end of this office action.

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. Claims 1-25,27-56,58-89,119-122, are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

For claims 1,16-18,24,31,63,76, it is claimed that a "detection rating" is determined, a QFD score is calculated, and it is claimed that a PRN is calculated using a specific formula. Each independent claim now requires that a "detection rating" be determined. The examiner takes notice of the fact that it is a person that decides what values the variables of "detection rating", "severity rating", and "process strength rating" are supposed to have. The examiner also notes that the specification provides no guidance on how one should go about determining the correct values for these variables, so that the result would be useful and would be repeatable. With respect to the "severity" and "process strength" ratings, the QFD is calculated from the multiplication of these two values together, see page 16 of the instant specification. Because all of the variables used to calculate the QFD score are disclosed as being determined by people and because there is no guidance given on how to go about choosing the appropriate values for these variables, the result of the invention is not considered to be concrete (i.e. it is not capable of being repeated to arrive at a particular result). The same is true for the "detection rating". This is disclosed as being

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determined by people, see page 17 of the specification. No guidance is given on how to go about choosing the detection rating value. Because of the fact that different people may ascribe different values to the variables used in the equation, and because no guidance is given on how to go about choosing the values for the "detection rating", "severity rating", and "process strength rating", the result is not guaranteed. The claim is not statutory because the result is not concrete (i.e. it is not capable of being repeated due to the human factor). The input is judgmental and will vary from person to person so the result will vary as well. The same holds true for claim 24 that recites the variables used to calculate a PRN, the values used in the equation are determined by people and are judgmental in nature; therefore, the claim does not have a concrete result. Additionally, because the results are not concrete, the examiner does not see how the result is useful in the context of 35 USC 101. Because the calculated QFD score and PRN are only as accurate as the inputted data is accurate, the result is not considered to be useful. If the result can vary depending on the person deciding what values the variables of the equation are supposed to have, and no guidance is given to allow two people to reasonably know how to determine the correct numbers, then one cannot have any confidence in the obtained result, because it is only as good as the data inputted into the equation, which is determined by people with no standards to go by. There is no guarantee that the result obtained is even accurate, because the entire equation is based on a person's perception and judgments as to what the "detection rating", "severity rating", and what the "process strength rating" is.

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3. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

4. Claims 1-25,27-56,58-89,119-122, are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention.

For claims 1,31,63,76, it is claimed that a "detection rating" is determined. Each independent claim now requires that a "detection rating" be determined. The examiner takes notice of the fact that it is a person that decides what values the variables of "detection rating" is supposed to have. The examiner notes that the specification provides no guidance on how one should go about determining the correct values for this variable, so one of skill in the art would be left guessing on how to do what is claimed. The "detection rating" is disclosed as being determined by people, see page 17 of the specification. People determine what the detection rating is going to be, and no guidance is given on how to go about choosing the value for the detection rating. How would one of skill in the art to do what is claimed? The only way they could do it is by guessing or randomly picking a value for the detection rating. This does not teach to one of skill in the art how to go about and use the claimed invention. How is the detection rating arrived at? Because this is not disclosed, and because it is disclosed that a person chooses the value, the claim is not considered to be enabled. There is

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not enough of a disclosure to allow one of skill in the art to make and use the claimed invention without undue experimentation (which is present due to the lack of guidance).

With respect to claims 31,63-89, and the recitation that the server prioritizes the compliance risks for the business, identifies potential failure modes with causes and effects, and recommends risk monitoring and control mechanisms, one of skill in the art would not be able to make the server do what is claimed. This is because the applicant has disclosed that it is people that do these steps, not the server. One of skill in the art would not be able to figure out how to get the server to prioritize the risks because this depends on what the business sees as the most risky based on any known consequences that may happen if the risk materializes. How would one of skill in the art go about making the server prioritize the risks, especially for a plurality of different business settings that have different compliance issues that need to be dealt with? How is this done? How can the server know what to do? With respect to identifying failure modes and the causes and effects, how is this done by the server? How does the server know what possible failures could occur for any kind of business process? The same is true for the recommendation of risk monitoring and control mechanisms, how does the server do this? One of skill in the art would be left guessing how to program the server to do what the specification disclosed is being done by people. The server is clearly used in the storing of data and in collecting/receiving the data, but the specification is full of references to the fact that it is people doing the majority of the actions, not the server. One of skill in the art would not be able to make the invention as claimed and undue experimentation would be involved to make the server to do what

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is claimed. The claims are not enabled because one of skill in the art would not be able to make a server that does everything that is claimed.

For claims 63-89 the following paragraphs are relevant to what is claimed and these issues were not addressed by applicant in the most recent response to the last office action.

For claims 32,33,35,36, the claim is not enabled. How can the server assemble the cross-functional team and conduct an interview with a person, etc.. As stated with respect to claim 31, people are disclosed as doing these steps, not the server. People, not the server, also do the summary of the results. One of skill in the art would not be able to make the server do what is claimed and undue experimentation would be involved.

For claim 34, one of skill in the art would not be able to go about and make a server that can create a questionnaire as claimed. How can the server know what the business is and what questions should be asked? The server cannot do this step, people do. Applicant has not disclosed how one of skill in the art can make the server do what is claimed.

For claims 37,38, how can the server compile results on its own? One of skill in the art would not know how to go about and make the server do what is claimed.

For claims 39-42, how would one of skill in the art go about making the server prioritize the risks deemed to be important to the business, especially when that is disclosed as being done by people. The server is not capable of knowing what the business management members know and cannot map a risk model, compile

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compliance requirements and prioritize them, assign a severity rating (disclosed as being done by people), etc.. One of skill in the art would not be able to make the server do what is claimed, especially in view of the fact that the specification discloses that people do these steps. The same is true for claim 40, the guidance from the specification does not include how to make the server do what is claimed because people do it. For claim 41, how does the server compile a list of requirements that include company policy as well as the other recited requirements? The server does not compile the various requirements it is an employee that compiles the requirements.

Claims 43-62 are also found to be non-enabled for the same reasoning as set forth above. The specification teaches that people compile the list of compliance requirements, people prioritize the risks, people assign severity ratings and process strength ratings, people map the risk model and identify possible failure modes, assign occurrence and detection factors, define recommended actions, etc..

For all of claims 31-89, Applicant has not given enough disclosure to enable one of skill in the art to make a computer system that has a server that does everything that is claimed. One of skill in the art reading the specification would be very confused because of the fact that it is disclosed that people do most of the recites steps, not the server. One of skill in the art would have to undergo undue experimentation to design an intelligent system that can basically tell management what to do and more or less run the company with respect to compliance issues. The way the claims are written it is the server doing everything, but the specification teaches that most of the steps are done by people. The claims are not enabled for these reasons.

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5. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

6. Claims 2,5,8,11,29,32,34,39,50,59, are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

For claims 2,8,32,34,50 the portion of claim 2 that recites "identifying and interviewing a plurality of process owners for the questionnaire answers" seems to contradict the amended language for claim 1. This problem then flows to claim 8. Claim 1 recites that the questionnaire is displayed on a client system of a compliance person and they are the ones that submit answers. Claim 2 is reciting process owners as being interviewed. Which is correct? The language from claim 1 or what is claimed in claim 2? It is not clear as to who is providing answers for the questionnaire, is it the compliance person or the process owners? This is not clear.

For claim 5, it is claimed that the cross-functional team "that was used to conduct the compliance program assessment" is reassembled. Where was it previously claimed that a cross functional team was assembled to do any kind of compliance assessment? This is not previously recited as being in the claim scope, in fact that previous language about conducting a program assessment was canceled by amendment and it appears this claim was simply not amended to be in agreement with earlier claims. This renders the claim indefinite because it is not known if the claim requires a functional team to conduct a compliance program assessment or not and it is not clear if they are being assembled once or more than once? The claimed recitation of "calculating Risk

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Prioritization Numbers” is also not clear. Is this another calculation step of another set of RPNs in addition to the RPN calculation step that is recited in claim 1? How many different risk prioritization numbers are being calculated? Both claims recite the calculation of numbers with the same name. Due to the indefiniteness of the claim as a whole, it will be examined as the claim is best understood by the examiner.

For claim 11,39, it is claimed that “the list of compliance requirements” is compiled. Claim 1 recites that the compliance requirements are stored in the database but there is no mention of a list. Is the claimed list of compliance requirements the same as the requirements that are claimed as being stored in the database, see claim 1? This is not clear. There is no antecedent basis for “the list of compliance requirements”. No list of any kind has previously been claimed. Also, if the requirements are already recited as being saved in a database, what does this step require that is not already within the scope of claim 1? This is not clear. The step of “prioritizing compliance risk areas” is not clear because claim 1 already recites that the compliance risks are being prioritized. Is this the same step as recited in claim 1, if not then what is the difference? Due to the indefiniteness of the claim as a whole, it will be examined as the claims are best understood by the examiner.

For claim 29,59, what is a “policy dashboard”? One wishing to avoid infringement would not know what this is. This renders the claim indefinite.

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7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. This application currently names joint inventors. In considering patentability of the claims under 35 U.S.C. 103(a), the examiner presumes that the subject matter of the various claims was commonly owned at the time any inventions covered therein were made absent any evidence to the contrary. Applicant is advised of the obligation under 37 CFR 1.56 to point out the inventor and invention dates of each claim that was not commonly owned at the time a later invention was made in order for the examiner to consider the applicability of 35 U.S.C. 103(c) and potential 35 U.S.C. 102(e), (f) or (g) prior art under 35 U.S.C. 103(a).

9. Claims 1-16,18-23,25,27-45,47-53,55,56,58-89,119-122 are rejected under 35 U.S.C. 103(a) as being unpatentable over Fetherston (20020120642).

For claims 1,3,5,6,11-16,18,19,21,23,29,31,39-45,47,48,51,52,59,63-65,68-89, Fetherston discloses a system and method of determining a company's compliance with legislative conditions and/or internal managerial conditions. Fetherston discloses a compliance management system that determines and identifies compliance or lack of compliance with certain criteria (relating to processes or products of business). The server is 2 and the database is 4 and/or 16. The client system is disclosed in paragraph 28 where it is disclosed that the system can be a "stand alone" computer or may be connected to other components (computers) of a network. It is also stated that the

system can be implemented on separate networked computers accessible from all or selected levels of an organization. Information concerning compliance is stored in the database as claimed. This includes a questionnaire (see figure 4, paragraphs 34 and 38) and compliance requirements (see paragraph 12). Also see figure 4 where it is disclosed that one of the data entries is the "Department". Identifying the department also identifies the persons responsible for compliance (i.e. the employees in that department). In paragraph 38 it is disclosed that a user is forced to follow a process and pattern of data entry (by using a computer) to collect data needed to determine the level of compliance with the saved compliance requirements. This involves the displaying of the questionnaire of figure 4 on a client system (a computer) that is inherently based on saved compliance information relating the whatever requirements have to be complied with. The server 2 then receives the entered data, and saving the data "processes" the data. The system also prioritizes the compliance risk for a business by identifying the compliance risks and prioritizing them from high to low based on a severity rating. Paragraph 42 discloses the identification of hazards (risks) that exceed a certain rating. This satisfies the claimed identification of the compliance risks. Assigning a numerical priority to each risk by using a "risk assessment rating" prioritizes the identified risks. The risk assessment rating satisfies the claimed "severity rating". The calculating of a risk prioritization number for each risk is satisfied by the disclosure that "the user may specify the threshold value, enabling an organization to concentrate first on high priority hazards by specifying a high threshold, then lowering the threshold to concentrate on lower priority hazards". The user "calculates" or figures

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out how important each risk is at the present time (based on factors which inherently include current compliance with certain criteria, which is saved data stored in the database) to arrive at a prioritization number (threshold value) for each risk. Once the various risks are analyzed and management is aware of potential problems, implementation of controls such as training can be done. The database also stores information on training to be given (a control).

Not specifically disclosed is the step of identifying failure modes with the causes and effects of the compliance failure modes along with the storing of this data in the database (also relates to the claimed FEMA for claim 11). Also not disclosed is the act of identifying the current control in place and a detection rating that represents whether or not the current controls that are in place will detect compliance failure modes. When one receives an indication that certain legislative requirements (or internal company criteria) are not being met, one of ordinary skill in the art would obviously want to know why that is happening, so that the problem can be fixed. One of ordinary skill in the art would also find it desirable to have some form of controls in place to detect when a condition may be violated as well as having a way to assess the effectiveness of the current controls. It is clear that one of ordinary skill in the art would not want to violate any compliance requirements and would take steps to ensure proper compliance. Upon receiving information that indicates failure to comply with certain compliance requirements, one of ordinary skill in the art at the time the invention was made would have been motivated and found it obvious to identify the failure modes for each risk, with the associated causes and effects of those failure modes so that the problem can

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be corrected (by taking actions). This is how one of ordinary skill in the art would go about correcting the non-compliance issues identified. You must first identify the problem and figure out why it is happening (causes/effects) before you can arrive at a solution (an action). This is something that is obvious to one of ordinary skill in the art based on their knowledge and based some common sense in problem solving. You cannot correct a problem if you do not know why it is occurring. One of ordinary skill in the art would have been motivated to do what is claimed. With respect to having current controls in place to detect the failure modes, this is something that one of ordinary skill in the art would also find desirable. This is because one of ordinary skill in the art would find it desirable to ensure that you do not violate any compliance requirements. To ensure that you do not violate any compliance requirements, one must ask the question of how can this be done? One of ordinary skill in the art would have clearly considered monitoring by having some form of "controls" in place, so that any potential issues of non-compliance can be identified before they become a real issue. This is something that one of ordinary skill in the art would find desirable based on the problem being addressed and the level of knowledge that one of ordinary skill in the art has. With respect to the detection rating, this is taken as just an assessment of the controls in place that are to detect failure modes. Clearly, if you are using controls to identify failure modes, you must have some confidence with the current controls and must have some level of confidence that they will work as intended and will identify failure modes. One of ordinary skill in the art would have been motivated to also assess the controls that are in place as far as their effectiveness is concerned. It would have

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been obvious to one of ordinary skill in the art at the time the invention was made to have some controls in place to detect failure modes and to also have a detection rating, that is an assessment of the overall effectiveness of the current controls. Also considered to be obvious is that recommended actions would be implemented to reduce the risk associated with each compliance risk that was identified. This is the reason you are looking at the risks in the first place. You want to take actions that will reduce the risk for each compliance risk. With respect to the storing of the data in the database, the Background of the invention section states that some legislation requires employers "to provide an audit trail of their actions that is sufficiently transparent to show that they have an effective management program which includes hazard identification, appropriate training and supervision of staff, recording details", etc.. One of ordinary skill in the art at the time the invention was made would have been motivated to save all of the compliance data in the database to ensure that there is a transparent audit trail that would be evidence of management doing what they are supposed to be doing as far as compliance monitoring goes.

For claims 2,32,34,50, with respect to the limitation of defining what constitutes a yes answer, the examiner notes that paragraph 37 discloses that one of the formats for the questionnaire is a "true/false" type of format. That is the same as having yes or no answers. This inherently involves a previous determination as to what defines a yes (true) or no (false) answer so that the compliance assessment can be performed. People make up the forms and the questions, not the computer system. In Fetherston questionnaire answers are obtained, and results are compiled and presented to

management as claimed. Not disclosed is a "binary questionnaire", and the assembling of a cross functional team. With respect to the "binary questionnaire", the use of binary code is very old and well known in the art. Binary language is the basic language that computers use for data. It would have been obvious to one of ordinary skill in the art at the time the invention was made to use a "binary" questionnaire because the use of binary code is very old and well known in the art and is something that one of ordinary skill in the art would readily be aware of. With respect to the assembling of a cross functional team, the examiner notes that applicant does not actually recite that the team does anything. One of ordinary skill in the art at the time the invention was made would have found it obvious to assemble a cross functional team (a team of employees) that would serve to help set up the entire compliance monitoring system and assist in determining what questions should be asked when a "true/false" format for the questionnaire is used.

For claim 4, not specifically disclosed is the step of identifying failure modes with the causes and effects of the compliance failure modes along with the storing of this data in the database. When one receives an indication that certain legislative requirements (or internal company criteria) are not being met, one of ordinary skill in the art would obviously want to know why that is happening, so that the problem can be fixed. Upon receiving information that indicates failure to comply with certain compliance requirements, one of ordinary skill in the art at the time the invention was made would have been motivated to identify failure modes for each risk, with the associated causes and effects of those failure modes so that the problem can be

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corrected. This is how one of ordinary skill in the art would go about correcting the non-compliance issues identified. You must first identify the problem and figure out why it is happening (causes/effects) before you can arrive at a solution. One of ordinary skill in the art would have been motivated to do what is claimed. Also not disclosed is the prioritizing actions that need to be taken and the developing of a scorecard to be used as a monitoring and reporting tool. With respect to the prioritizing of actions that need to be taken, when one determines the reason why non-compliance is occurring and develops a proposed solution (actions that need to be taken), one of ordinary skill in the art at the time the invention was made would have been motivated to prioritize those actions that need to be taken so more effort can be spent on those actions that will provide more of a positive result, so that effort is not spent on actions that have a small effect on the problem. With respect to the development of a policy scorecard, one of ordinary skill in the art at the time the invention was made would have found it obvious to have some manner by which one could grade the efforts of management in compliance monitoring and in correcting any issues of non-compliance. This is interpreted to be the mere assessment or appraisal of the company in its efforts to ensure company compliance and in fixing the problems. Appraisals or reports on the performance of a company or a part of a company are nothing new (i.e. GAO reports of the Federal Government).

With respect to claim 7, in addition to that disclosed above, not disclosed is ensuring that the actions are completed in a timely manner. One of ordinary skill in the art at the time the invention was made would have been motivated to ensure that any

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corrective actions that need to be taken are done in a timely manner, so that the identified non-compliance risks will not continue. Timely completion of taking action to correct the problems is something that one of ordinary skill in the art would clearly appreciate.

For claims 8,33,35,36,66,67, the questionnaire is a "question owners matrix". It is a matrix of questions to be answered. The use of a knowledge base is the use of the computer system and the stored data. That is a knowledge base.

For claims 9,37, not disclosed is the use of a spreadsheet to compile the results. It is old and well known in the art that spreadsheets are used to process data and display data for anything one desires. One of ordinary skill in the art would have this fact in their knowledge. It would have been obvious to one of ordinary skill in the art at the time the invention was made to use a spreadsheet to display results data, because spreadsheets are well known as being a commonly used format to display data and is something that one of ordinary skill in the art would understand and appreciate.

For claims 10,30,38, not disclosed specifically is the use of a program assessment summary and a policy assessment summary. Taking into consideration that the reason you are tracking compliance data is to ensure that you are in compliance with certain regulations or criteria and given that summary data is compiled in Fetherston, it would have been obvious to one of ordinary skill in the art at the time the invention was made to present the upper members of management with a summary of how the "compliance program" is going by having a program assessment (is the program working and achieving real world results that justify the program's existence)

and a policy summary, that summarizes what policies (i.e. training programs) are working or not working. One of ordinary skill in the art would have been motivated to summarize the results as claimed.

For claims 11,39, not disclosed is the mapping of a high level business risk model and a quality function deployment. With respect to the risk model, one of ordinary skill in the art would have found the use of a risk model (very broad language) as obvious, because this is the way that one would go about analyzing the risk to a company. You would construct a risk model, which can simply be a report of the possible risks and how they may affect the company. With respect to the quality function deployment, as this is best understood by the examiner, this is the use of a matrix to summarize the compliance requirements (from page 12 of the instant specification). The use of a matrix is old and well known in the art. One of ordinary skill in the art would have found the use of a matrix obvious because one of ordinary skill in the art would recognize that matrixes can be used to summarize any kind of data one desires.

For claims 20,49, not disclosed is the identifying of the top 3-5 compliance requirements that have the highest risk. One of ordinary skill in the art would clearly be the most concerned with those compliance areas that have the greatest risk. This is just obvious common sense that one of ordinary skill in the art would recognize. With respect to determining the top 3-5 compliance requirements, one of ordinary skill in the art would find it obvious to not just focus on one compliance risk area, but to focus on a plurality of the top areas of concern. Depending on the number of compliance areas in

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need of attendance, one of ordinary skill in the art would have found it obvious to identify the top 3-5 compliance requirement that have the greatest risk to the business, so that those risks can be minimized.

For claims 22,53, not specifically disclosed is determining failure modes for each step in a process. In the rejection for claim 1, the issue of determining failure modes and causes and effects was addressed. With respect to determining failure modes for each step in a process, one of ordinary skill in the art would have been motivated to do a complete failure mode analysis, which would involve looking at all steps of a process where failures could occur. One of ordinary skill in the art would be motivated to look at the entire process, not just one step, so that the analysis would be complete and as accurate as possible. With respect to brainstorming potential effects, this is part of the determination of the cause and effects that has been previously addressed.

Brainstorming is just coming up with what the effects could be.

For claims 25,55,56, not disclosed is the step of entering the recommended actions, an owner, and an expected date of completion into the matrix. The limitation of determining actions to be taken has already been addressed. With respect to the entering of these actions in addition to an owner and an expected completion date, one of ordinary skill in the art would have been motivated to track the recommended actions, who is responsible for ensuring they are followed through on, and when it is expected that they are going to be completed. This is information that one of ordinary skill in the art would have recognized as being important. If you take the time to formulate some actions that can be taken to minimize the risk to a company, you would also be

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motivated to track the progress of those actions and document who is responsible for ensuring that those actions are undertaken, along with dates of when it will be completed, so that the management personnel overseeing the implementation of these actions will know what they are doing, who is doing it, and what the timeline is for the progress of those actions. One of ordinary skill in the art would have been motivated to do what is claimed.

For claims 26,27,57, not disclosed is the reassigning of ratings and recalculation of the RPN or monitoring the progress. When one is using the method of Fetherston to address compliance risks, one of ordinary skill in the art would have been motivated to revisit the issues at a later point in time to see whether or not the risk of non-compliance has gone down (monitoring the progress). One of ordinary skill in the art would have found it obvious to recalculate the severity rating and take another look at whether or not the previously determined risk is still a priority that needs to be addressed. This inherently involves recalculating the RPN.

For claims 28,58, with respect to the use of a policy scorecard, one of ordinary skill in the art at the time the invention was made would have found it obvious to have some manner by which one could grade the efforts of management in compliance monitoring and in correcting any issues of non-compliance. This limitation is interpreted to be the mere assessment or appraisal of the company in its efforts to ensure company compliance and in fixing the problems. Appraisals or reports (scorecards) on the performance of a company or a part of a company are nothing new (i.e. GAO reports of the Federal Government).

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For claims 60-62, the prior art is fully capable of operating as claimed. The server can receive information in any of the claimed manners.

For claims 119-122, when one has recommended an action to be taken, as these claims require, one of ordinary skill in the art would clearly find it desirable to monitor the status of the recommended action (with updates) and one would naturally want to know if the action has completed or not. This is so that one can be assured that the action has been completed and when that has been done, one would naturally want to reassess the level of risk now associated with that compliance risk, especially after some action has been taken to reduce that risk. Once a risk is identified and one determines that the risk needs to be lowered, one takes steps to do so, such as by implementing control measures as already addressed by the examiner. When one is trying to lower risk, they are interested in finding out whether or not the risk has actually been reduced by whatever action has been taken. To recalculate the risk associated with a compliance risk, after an action has been taken to hopefully reduce that risk is considered to be obvious. One of ordinary skill in the art at the time the invention was made would have found it obvious to recalculate the risk as claimed (the PRN) after an action has been taken (which is required by the claims).

10. Applicant's arguments filed 2/28/07 have been fully considered but they are not persuasive.

With respect to the 101 rejection, applicant has argued that just because of the fact that certain variables used in the invention (used in the disclosed equations) may

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be measured by a person, such as an experienced risk assessor, does not mean that the score is non-repeatable or that the invention fails to produce a concrete result. The examiner disagrees. The specification discloses that it is people who decide what values these variables are supposed to have. The specification contains numerous instances of disclosing that it is people who are determining the values to be used in the equations. There is also no guidance given in the specification on how one would go about determining the variables of "detection rating", "severity rating", and "process strength rating", which are used to calculate the RPN and the QFD score. Because of this fact one cannot be assured of any kind of repeatable result, due to the lack of guidance on how to determine these variables in addition to the fact that it is people that are determining these values. No guidance is given on how to determine any of the claimed ratings, so one would be left to simply guess and make up their own system of ratings. This does not allow the result to be concrete in the sense of 35 USC 101. This 101 rejection is not being made just because it is people that are doing the claimed steps, the rejection is being made because there is insufficient guidance given in the specification to allow the result to be replicated to arrive at substantially the same result. The examiner disagrees with applicant's comment that the specification "clearly describes how the variables" are valued. The examiner does not see any disclosure that would explain how this is done. The statement that the invention produces a useful, tangible, and concrete result is noted but is just taken as a general allegation of compliance with 35 USC 101. With respect to the argument that it is an experienced risk assessor that is determining the values for the variables, where is this in the

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specification? Even if this is true, this still does not result in a concrete invention, because there is no guarantee that any two or more risk assessors will reasonably be expected to arrive at the same result, especially due to the fact that there is no standard rating system disclosed that one could use. The result would totally depend on the manner by which the risk assessors determine the variables used in the equation. As stated previously, without guidance on how this is done, the result is not considered to be repeatable to a point that would render the claimed result as "concrete".

With respect to the other aspect of the 101 regarding the result not being considered as "useful", this was not addressed by applicant other than in making a general allegation that the invention produces a useful, tangible, and concrete result. The rejection will be maintained with respect to this issue of the 101 rejection due to their being no persuasive argument of record.

With respect to the 112,1st rejection, the arguments are found to be non-persuasive. Claims 31-89 have been rejected for the reason that it is not taught how to program the server to do what is claimed (i.e. make the invention as claimed). Specifically, it is not taught how to make the server do all that is claimed, especially due to the fact that many of the claimed functions are actually done by people not the server. Applicant has drafted the apparatus claims to require that the server does steps that the specification discloses is being done by people. How is the server then programmed to do what is done by people? How is the server made to act like a person and render decisions they would render? It is not taught how to make the server do what is claimed. The entire argument seems to be based on the citation of parts of the

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originally filed specification. Applicant's comments do not sufficiently address the issues set forth by the examiner. Citing different portions of the specification as applicant has done without explaining specifically how to make the server do what is claimed is not considered to be persuasive. Because the compliance risks of any business actually depend on the business itself, and because each business has its own specific concerns and compliance issues, how would one of skill in the art go about and program the server to prioritize the risks and do all the other things that are claimed? It is people that decide what values the variables used in the equations are supposed to have. The compliance risks are determined based on a severity rating of non-compliance (this is in claim 1). The severity rating is determined by people and not the server. Paragraph 68 of the specification states that "Resources used to prioritize risk may include functional leaders, compliance leaders, compliance experts, policy owners, a management team, and legal counsel. This paragraph makes no actual mention of the fact that the server prioritizes the risks. This is disclosed as being done by people. This then leads to the question of how does the server prioritize the risks if it is actually people that are determining all the values used to determine the severity rating, which is what determines the risk priorities and the people are the ones actually identifying what the compliance risks are? The issue that the examiner has with the claims is that it is disclosed that people do the things such as identify the compliance risks and determine the severity ratings, which then determines the actual priorities. How does the server go about and assemble a cross functional team, identify and interview for compliance as is claimed in claim 32? How does the server conduct an

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interview with people and how does the server actually assemble the team for the meeting? This is disclosed as being done by people not the server. In the apparatus claims applicant has claimed that the server is doing many of the steps that are disclosed as being done by people. The specification does not teach one of skill in the art how to go about and make the server do what is disclosed as being done by people. The rejection will be maintained and the issue of the "detection rating" has now been raised and is part of the current rejection of record. This is in response to the most recent amendment to the claims.

The examiner also notes that with respect to the 112,12st rejection, it appears that applicant has failed to traverse the issues set forth for claims 32,33,35,36; claim 34; claims 37,38; claims 39-42; claims 43-62; and claims 31-89. Pages 5 and 6 of the last office action contain rejections of claims that applicant has not addressed in any specific manner. The rejections will be maintained.

With respect to the 112,2nd paragraph rejection, the arguments are not persuasive for some of the claims.

For claims 2,8,32,34,50, the issue set forth by the examiner has not been addressed by the amendment. It is not clear who is providing the answers for the questionnaire? This is the issue at hand in this rejection. Applicant's explanation is just an allegation of compliance with 112,2nd as no explanation has been provided explaining why to the rejection is not proper in view of the amendment. The rejection will be maintained.

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For claims 5,11,39, only a portion of the rejection has been addressed by the amendment. Applicant has stated that the amendments address the Examiner's concerns, with no explanation as to how. The remaining issues with respect to claim 5 and claims 11,39, are in the current rejection of record and have not been overcome. These aspects of the rejection will be maintained. Claim 11 also contains a new rejection that is necessitated by amendment.

For claims 29,59, the examiner notes applicant's explanation as to what a policy dashboard is, but where does support come from for this definition of this term? The examiner does not see where this is disclosed in the instant specification. How does applicant find that the term "policy" when used with dashboards is actually referring to an "action items list"? Where does this come from? How does "policy" somehow really mean "action items list"? The explanation that the term "policy dashboard" really means a "unified display of the action items list" is not found to be persuasive due to a lack of support for this definition. Where does this definition come from? The rejection will be maintained.

With respect to the prior art traversal, the arguments are found to be non-persuasive. Applicant argues two things. The first is that it is not obvious to identify the failure modes, etc., along with a detection rating for the current controls. The second argument is that it is not obvious to store the data in a database. Applicant generally argues that the claim language is not found in the prior art. The majority of the remarks are made in a general sense and are more like general allegations of patentability than actual specific arguments. With respect to the obviousness of identifying failure modes,

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causes and effects, etc., applicant has stated "*There is no motivation disclosed to identify potential compliance failure modes, causes and effects, current controls in place, and a detection rating. Applicant's submit that one of ordinary skill in the art would not have been motivated to identify the current controls in place and the detection rating.*" This is not seen as addressing the obviousness statement and the reasoning set forth by the examiner in the 103 rejection of record. Why is it not considered to be obvious? What is the reasoning and the explanation behind this conclusion? This is nothing more than a general allegation. Also, the mere fact that the reference does not disclose motivation to do what is claimed does not mean that the rejection is not proper. If the reference disclosed what is claimed, it would be a 102 and not a 103 rejection. The examiner has provided an explanation as to why the missing limitation is considered to be obvious and this has not been addressed. The argument is not persuasive. The same holds true for the issue of storing the data in a database. Applicant has just argued that there is no motivation to store the data and has stated that the missing feature is not obvious with no supporting rationale or explanation for the examiner to consider. This is also found to be non-persuasive as it is not addressing the obviousness statement made by the examiner along with the rationale set forth by the examiner. Applicant has relied upon the arguments for claim 1 for patentability for all of other independent claims and dependent claims. The argument for claim 1 is not persuasive, therefore; the argument for the other claims (which is the same as for claim 1) is also found to be non-persuasive.

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11. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

12. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dennis Ruhl whose telephone number is 571-272-6808. The examiner can normally be reached on Monday through Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss can be reached on 571-272-6812. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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DENNIS RUHL
PRIMARY EXAMINER